give finance at reduced interest rate for rehabilitation. The interest rate is 1.5 per cent to 3 per cent below the prevailing interest rate. This process is going on.

At the apex level, the Reserve Bank is also having monthly meeting an monitoring the situation.

SHRI P.C. CHACKO : I would like to compliment the hon. Minister while putting my supplementary because a number of initiatives were taken during 1996-97 and 1997-98 for the revival of the sick industries. As the Minister himself has promised, he will champion the cause of the small scale industry. Unfortunately, in spite of all these initiatives, the competitive edge of the small scale industry is being reduced in competition with the large scale industry and also with the coming in of the multinational companies

One thing which has escaped the attention of the hon. Minister, which is very helpful for the growth of the small scale industry is the exemption of excise duty. That limit of exemption was Rs. 30 lakh. The Minister has said in his reply that the investment limit has been increased from Rs. 60 lakh to Rs. 3 crore. A proportionate increase in the exemption limit of the small scale industry also is essential. A sufficient thought is not applied to this very point. When one particular industry was mentioned, the Minister has said that he will take it up. Now the excise duty is exempted up to a limit of Rs. 30 lakh. This limit of Rs. 30 lakh was decided 15 years back. Considering the inflation and various other factors contributing to it, will the Government think of increasing the exemption limit to the small scale industry ? Will he give a specific proposal – it is a general case an not specific to any particular industry - from the Government side to the Finance Ministry which only can help it by being very sympathetic to small scale sector ? Will the hon. Minister take up this matter with the Finance Minister and recommend higher exemption limit for small scale industry for central excise ?

SHRI MURASOLI MARAN : I thank the hon. Member for his comments about the initiatives that we have taken. What he says is a genuine grievance among the small scale industries. But it is too late in the day. Only two days ago, we have passed the Finance Bill.

SHRI P.C. CHACKO : We were fighting for that. Even then, what to do ?

SHRI NIRMAL KANTI CHATTERJEE : There was an amendment in my name also specifically to do this. The Finance Ministry did not accept it.

MR. SPEAKER : Your mistake was that you did not consult the Industry Minister.

SHRI MURASOLI MARAN : We take up all these causes regarding excise duty reduction for small scale sector. There is a genuine grievance, We have to do it. Next time, we will see it.

[Translation]

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : Mr. Speaker, Sir, in this context the hon'ble Minister has clarified the policy framed for the small-scale industries from one to ten but he forget to feel one thing in regard to which I would like to know. Whether Government propose to formulate a scheme. On the lines of BIFR as has been envisaged earlier for industry where there should be a provision for earmarking separate fund for the small scale industries, so that they could utilise that money ?

Mr. Speaker, Sir, the second part of my question is that what efforts are likely to be made by the Govt. for getting approval of the Ministry of Finance in regard to the report submitted by the Parliamentary Committee on Industry about small scale industries ? Mr. Speaker, Sir, the rate of interest on the loan provided to small scale industries is quite high whereas multinational companies are being provided loan on the low rate of interest. I would like to know from the government at to what they are contemplating to do in this regard. Please state.

[English]

SHRI MURASOLI MARAN : Sir, the hon. Member has asked about the BIFR type of mechanism for dealing with the sickness of small scale industries. In fact, such a tribunal was suggested by the Naik Committee, but the Ministry of Finance have not agreed to the recommendation for creation of BIFR type of institution on the ground that the SSI units are scattered all over the country. They are 27 lakh in number. The experience of the BIFR is very sad in the sense that the hon. Finance Minister himself had announced that he was going to bring a new Bill to revamp the SICA. Therefore, that kind of BIFR set up is not possible.

Regarding the other recommendation about fiscal measures, as I have laready mentioned, we will take it up with the Ministry of Finance.

National Jute Manufacturers Corporation

*583. SHRI G.A. CHARAN REDDY : Will the Minister of TEXTILES be pleased to state :

(a) whether National Jute Manufactures Corporation is incurring losses;

(b) if so, the losses incurred by the Corporation

during the last three years alongwith the reasons therefor; and

(c) the steps taken by Government for revival of NJMC ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) NJMC has been incurring losses since its incorporation. During the years 1994-95, 1995-96 and 1996-97 it incurred losses of Rs. 80.33 Cr., 86.93 Cr. and 83.06 Cr. respectively. The reasons for losses inter-alia include poor conditions of existing plant and machinery, uneconomic product-mix, lack of working capital surplus workforce, uneven increase in wages cost and variable costs without commensurate increase in selling prices and abnormal price hike of raw jute.

(c) A Revival Package with a total financial outlay of Rs. 253.92 Crores has been prepared by IRBI (Operating Agency) and submitted to BIFR on 2nd August, 1996, which is under active consideration of the Government.

SHRI G.A. CHARAN REDDY : Sir, the hon. Minister has answered in part (a) that 'NJMC has been incurring losses", This has not been happening for the last three or four years, but as the hon. Minister himself has said, it has been incurring losses since its incorporation.

It was not started three on four years back but it was started in 1980. Since its inception in 1980, it has been continuously incurring losses every year and this issue had been raised many times in Parliament wanting to know the causes of the losses and the steps taken by the Government for its revival. But every time the answer comes giving the similar reason as has been mentioned this time. In 1993 a question was asked and similar reasons were given; now this time also the same reasons are given. That shows that the Government is not very serious about reviving this industry.

This year also there is a slump of 15 per cent in demand. I want to specifically ask the hon. Minister, having already incurring losses continuously and again after having a slump of 15 per cent in demand, what exactly the Government is going to do and what kind of steps they have taken in this regard.

SHRI R.L. JALAPPA : Sir, the causes of loss remain same every year. As the hon. Member put it, it has been incurring losses since the very beginning.

The paid up share capital is Rs. 54.80 crore and the accumulated loss is Rs. 873 crore. We have already given the figures of the losses which the hon. Member has asked. In 1993-94, it was Rs 75.45 crore; in 1994-95, it was Rs. 79.58 crore; in 1995-96, it was Rs. 88.13 crore; and in 1996-97, it was Rs. 83.60 crore. During this year losses have come down.

I had been there and have reviewed the position of all the six mills. I gave them instructions and they have carried out some of the instructions. The man-hour was reduced and because of that the losses could be reduced by Rs. 5 crore during this year.

Sir, the total manpower is 36,000 in the sick mills. I do not think that in any mill anywhere so much of manpower is there. In 1994-95, the manpower that was being used to produce one tonne was 117. In 1995-96, it was 87. In 1996-97, it is 92. In private industries, only 35 to 40 days of manpower is required. So, the manpower is also too much. Unless we reduce the manpower, we cannot run these mills profitable.

Secondly, we have a turn around plan before the Government at a cost of Rs. 253 crore. It may come up before the Cabinet at anytime either within this month or before the 15th of next month. It will be coming up before the Cabinet and a decision will be taken as early as possible.

SHRI G.A. CHARAN REDDY : In the second part of my question, I had asked a specific question. Why is there a 15 per cent slump in the demand ? I had asked specifically the reasons for that. He did not even elaborate one single reason for that. If he answers, then I will come to know of it.

SHRI R.L. JALAPPA : I cannot say why there is a slump in the demand. Probably, there are many other reasons also. Now we have been encouraging this industry. In the Budget that was presented and approved recently by the hon. House, we have given exemption of excise duties for all the jute products. We are also supporting them especially for those diversified goods to be exported outside. We are doing our best.

SHRI G.A. CHARAN REDDY : He has not given a single specific reasons. Anyway, I will ask my second supplementary,

Part (c) of the answer says; "A revival package with a total financial outlay of Rs. 253.92 crore has been prepared by IRBI and submitted to BIFR on 2nd August, 1996,". This clearly shows how serious the Government is thinking to revive this industry. The answer says; "It was submitted in 1996 and it is under active consideration by the Government."

Secondly keeping the revival of this industry in mind, today, in fact, a high level delegation consisting of the Chief Minister of West Bengal, other Members of Parliament and many people from industry, is meeting the Prime Minister to specifically request him to be very specific in reviving this industry. One of their suggestions is by way of a mandatory jute packing order. I want to know whether the Government can say in this House at this minute that they are considering mandatory jute packing very seriously. It is because this is the only option for survival of this industry. Many people from the Jute industry are saying that this is the only option for its survival.

SHRI R.L. JALAPPA : This is not the only answer for survival. For the last three years, cement is not packed in spite of that, the industry has survived. This is not the only reasons why these industries are suffering. As I have already told the House, there is a revival package costing about Rs. 253 crore pending before the Cabinet. It may come up at any time.

MR. SPEAKER : Shri Nirmal Kanti Chatterjee.

SHRI NIRMAL KANTI CHATTERJEE : Sir, you did not pronounce my name properly, Even then, I am standing up.

MR. SPEAKER : Okay, Shri Nirmal Kanti Chatterjee.

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI S. JAIPAL REDDY) : Shri Nirmal Kanti Chatterjee, you would not expect him to cock. . .*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE : Sir, he is no longer entitled to sit in you Chair . . .*(Interruptions)*

Sir, if there is a violation of the existing orders and they cannot do anything about it, then why should there be a Government ?

Secondly, you look at the poor condition of the existing plant and uneconomic product mix. Who is responsible ? Why is it that all these machineries are not being renovated in spite of the fact that it had been taken over many years ago ? If one is serious, it is here that the correction has to be sought.

Thirdly, the demand is increasing world-wide because this is considered to be an eco-friendly product. People in various advanced countries are also switching over from plastic to jute because this is bio-degradable. Here the hon. Minister has said that there is a slump. He has to answer that. I think that is what he is suggesting. The raw jute problem is there. The Jute Corporation of India will not buy the raw jute and will not deliver it because they do not get enough funds. They have to tackle all these problems. Then only the Jute Industry can develop.

I, therefore, request him, as in the case of N.T.C. mills, to agree to the formation of a small Committee of group of M.Ps to make recommendations. If they are prepared to make some massive investments in the Jute sector, which have become from a sunset industry to sunrise industry world over, then only, perhaps, they will be able to handle this. Would he agrees to this ?

SHRI R.L. JALAPPA : The obsolete machinery could not be replaced for want of funds. . . *(Interruptions)*.

SHRI BASU DEB ACHARIA : Why ?

SHRI R.L. JALAPPA : I cannot explain it. You know it very well. You are here for several years before I came here. I am here only for the last eleven months and you are there for years together. You know it very well.

The Jute Corporation of India's role is to purchase jute whenever the prices go below the minimum support price. It has not gone below the minimum support price for the last four or five years.

The strength of the Jute Corporation of India is 2456. They are not doing a single pie job for the last several years. They are being paid Rs. 18 crore every year whereas the turnover of the Cotton Corporation of India is nearly thousand crore. They are earning Rs. 40 crore to 50 crore net profit every year. Their manpower strength is 1,400.

SHRI BASU DEB ACHARIA : But the Jute Corporation of India is not being allowed to participate.

SHRI R.L. JALAPPA : Yes. It is because it has not gone below the minimum support price . . .*(Interruptions)*. Now, in spite of that, after I took over, we have given Rs. 10 crore for the operations. Out of that amount, they have already purchased 60,000 bales. They have to reduce the manpower. They have to cooperate with me. If they reduce the manpower, then only we will be able to give them money. . .*(Interruptions)*.

SHRI NIRMAL KANTI CHATTERJEE : How can the manpower be reduced and also expect increase in production ? Why do you not do that ? . . .*(Interruptions)*.

SHRI R.L. JALAPPA : I am talking of the Jute Corporation of India. Why should we pay for 2,640 people every month without their doing anything ?

SHRI BASU DEB ACHARIA : You diversify its activities. . .*(Interruptions)*.

SHRI R.L. JALAPPA : The Jute Corporation of India's activities cannot be diversified. They cannot go to the market and sell it.

SHRI BASU DEB ACHARIA : But the Jute Corporation of India is not being allowed . . . *(Interruptions)*.

MR. SPEAKER : Maybe you get some answers in the next question.

Import Duty on Textile Machinery

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*584. SHRI CHHITUBHAI GAMIT :
SHRI MANIKRAO HODLYA GAVIT :

Will the Minister of TEXTILES be pleased to state :'

(a) the number of textile processing units functioning in the country, State-wise;

(b) whether the Textiles Ministry has suggested a drastic cut in import duty on textile machinery in order to facilitate modernisation of the weaving and processing sectors which would result in production of high value added items; and

(c) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) A statement is laid on the Table of the House.

(b) and (c) With a view to providing access to state-of-the art technology, suggestions for appropriate modifications in fiscal duties in respect of certain items have been made so as to help the Indian textile industry to improve productivity, production and quality and become more competitive.

Statement

Sr. No.	State	No. of Processing Units
1	2	3
1.	Punjab	315
2.	New Delhi	200
3.	U.P.	69
4.	Rajasthan	1746
5.	Haryana	155
6.	Maharastra	166
7.	Gujarat	511
8.	Madhya Pradesh	31
9.	Tamil Nadu	3403
10.	Pondicherry	13
11.	Kerala	75
12.	Karnataka	184
13.	Andhra Pradesh	117
14.	West Bengal	730
15.	Bihar	560
16.	Orissa	4069
17.	Assam	155
18.	Arunachal Pradesh	1
19.	Maghalaya	54
20.	Tripura	42

[Translation]

SHRI CHHITUBHAI GAMIT : Mr. Speaker, Sir, the Part B and C of the reply, given by the Minister are not clear. He said that with a view to provide access to "State-of--the art technology, suggestions for appropriate modifications in fiscal duties in respect of certain items have been made so as to help the Indian Textile Industry to improve productivity, production and quality and become more competitive.

This reply is not correct. What concrete decision has been taken in that. Will the hon'ble Minister be pleased to state about the concrete decision to be taken in this regard ?

My Second question is that whether the Government have any plan to sell the surplus land owned by the Textile Mills. If so, whether the money received as a result there off will be spent on the same mill of same State ?

[English]

SHRI R.L. JALAPPA : Sir, Selling the properties and investing them in machinery is a different question altogether. That matter pertains to N.T.C. not to this Question. The question is very clear and very simple. I have given the State-wise details about the number of textile processing units functioning in the country. I have also given the answer whether the Textile Ministry has suggested a drastic cut in import duty or not.

MR. SPEAKER : I agree with you.